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No. 82-1075

IN THE
Supreme Court of the United States

October Term, 1982

CPG PRODUCTS CORP.,

Petitioner,

v.

ANTI-MONOPOLY, INC.,

Respondent.

ON A PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

**MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE
AND BRIEF AMICUS CURIAE OF THE
UNITED STATES TRADEMARK ASSOCIATION**

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MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE*

The United States Trademark Association (hereinafter referred to as USTA or the Association) respectfully moves the Court, pursuant to Rule 36 of the Rules of the United States Supreme Court, for permission to file the attached brief *amicus curiae* in support of the Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit. The attorney for the petitioner has consented to the filing of this brief. The attorney for the respondent refused his consent. The grounds for this Motion, which also disclose the interest of the Association as *amicus* are set forth below.

USTA is a not-for-profit corporation composed of members having a special interest in trademarks. The organization currently has over 1,500 members, some 500 of which are trademark owners or affiliates of trademark owners.¹

¹ General Mills, Inc., the parent of the petitioner, is a member of USTA and a representative of that company is a member of the USTA Board of Directors. However, that representative was

Other members include lawyers, advertising agencies and other organizations knowledgeable about trademarks and with an interest in their protection.

USTA serves both its members and the interests of consumers and other members of the public by disseminating information about trademarks; by publishing books and articles about their function, protection and proper use; by conducting seminars and other programs to educate participants about developments in the field; by maintaining a library of trademark information; and by making speakers or instructors available to civic organizations and other groups requesting information about trademarks.

The Association was founded in 1878, in part to obtain enactment of federal trademark legislation after this country's first Trademark Act was declared unconstitutional. Since that time, it has been instrumental in making recommendations and providing assistance in connection with each subsequent federal Trademark Act, or amendment thereof, including the current statute, enacted in 1946, 15 U.S.C. §1051 et seq. In addition, when appointing members to the Public Advisory Committee for Trademark Affairs, which was created by Charter of the Secretary of Commerce in 1970, the Secretary has solicited the recommendations of the Association.

The membership of USTA represents a very significant and important segment of the United States business community. More important, insofar as the matter before this Court is concerned, it has substantial expertise in the trademark field. It has, in the past, participated as *amicus*

excused from all deliberations of the Board relating to this case, including the Board's decision to file a brief. An attorney in the law firm representing the petitioner is a member of the Brief *Amicus Curiae* Committee of USTA, but was excused from all deliberations thereof relating to this case, including the preparation and review of the brief.

curiae in four cases which involved trademark issues of significance not only for trademark owners, but also for the general public.² We believe that this is also such a case.

USTA, as *amicus*, will take no position on the question of whether MONOPOLY presently functions as a trademark. The significance of this case for the law of trademarks transcends that limited issue.

The test applied by the Ninth Circuit, in holding that the MONOPOLY trademark has become a generic term, radically departed from legal principles established by this Court and applied in a substantial, and until now uniform, body of case law in other Circuits. The decision will substantially and adversely affect all trademark owners.

WHEREFORE, the United States Trademark Association respectfully moves for permission to file a brief *amicus curiae* in support of the Petition for a Writ of Certiorari herein.

Respectfully submitted,

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² USTA has filed briefs in *Andrew J. McPartland, Inc. v. Montgomery Ward & Co., Inc.*, 164 F.2d 603 (C.C.P.A. 1947), cert. denied, 333 U.S. 875 (1948); *In re Borden, Inc.*, 92 F.T.C. 669 (1978), aff'd *Borden, Inc. v. Federal Trade Commission*, 674 F.2d 498 (6 Cir. 1982) (appeal pending); *Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Commission*, 448 F.Supp. 1237 (D.Nev. 1978), aff'd 440 U.S. 941 (1979); and *Redd v. Shell Oil Co.*, 524 F.2d 1054 (10 Cir. 1975), cert. denied, 425 U.S. 912 (1976).

TABLE OF CONTENTS

	PAGE
Table of Authorities	vi
Statement of Interest of The Association	1
Summary of Argument	4
Argument	5
I. Trademark Validity Does Not Depend Upon Purchaser Motivation in Buying a Product	5
II. The Primary Significance of Product Marks Such as "Monopoly" Can Only Be Determined by Ascertaining Their Meaning to the Public	9
Conclusion	11

TABLE OF AUTHORITIES

<i>Cases:</i>	PAGE
<i>Andrew J. McPartland, Inc. v. Montgomery Ward & Co., Inc.</i> , 164 F.2d 603 (C.C.P.A. 1947), cert. denied, 333 U.S. 875 (1948)	iiin
<i>Bayer Co., Inc. v. United Drug Co.</i> , 272 Fed. 505 (S.D. N.Y. 1921)	5, 5n
<i>In re Borden, Inc.</i> , 92 F.T.C. 669 (1978), aff'd <i>Borden, Inc. v. Federal Trade Commission</i> , 674 F.2d 498 (6 Cir. 1982) (appeal pending)	iiin
<i>Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Commission</i> , 448 F.Supp. 1237 (D.Nev. 1978), aff'd 440 U.S. 941 (1979)	iiin
<i>In re DC Comics, Inc.</i> , 689 F.2d 1042 (C.C.P.A. 1982)....	8
<i>Dixi-Cola Laboratories, Inc. v. Coca-Cola, Co.</i> , 117 F.2d 352 (4 Cir. 1941)	5n
<i>Donald F. Duncan, Inc. v. Royal Tops Manufacturing Co., Inc.</i> , 343 F.2d 655 (7 Cir. 1965)	5n
<i>DuPont Cellophane Co., Inc. v. Waxed Products Co., Inc.</i> , 85 F.2d 75 (2 Cir. 1936)	5n
<i>E.I. duPont De Nemours & Co. v. Yoshida International, Inc.</i> , 393 F.Supp. 502 (E.D.N.Y. 1975)	8
<i>Kellogg Company v. National Biscuit Company</i> , 305 U.S. 111 (1938)	4, 5
<i>King-Seeley Thermos Co. v. Aladdin Industries, Inc.</i> , 321 F.2d 577 (2 Cir. 1963)	5n
<i>Mishawaka Mfg. Co. v. S.S. Kresge Co.</i> , 316 U.S. 203 (1942)	2, 7
<i>Redd v. Shell Oil Co.</i> , 524 F.2d 1054 (10 Cir. 1975), cert. denied, 425 U.S. 912 (1976)	iiin

<i>Siegel v. Chicken Delight, Inc.</i> , 448 F.2d 43 (9 Cir. 1971), cert. denied, 405 U.S. 955 (1971)	6
---	---

Statutes:

15 U.S.C. §1051 et seq.	ii, 5n
§1064	5n

Other Authorities:

Levitt, "Branding on Trial," <i>Harvard Business Review</i> , pp. 20-39 (April 1981)	3
Lewin, "Business and the Law," <i>The New York Times</i> (October 5, 1982)	3
Melton, "Generic Term or Trademark? Confusing Legal Standards and Inadequate Protection," 29 <i>American Univ. Law Review</i> , pp. 109-133 (Fall 1979)	6n
"Trademark Ruling Sends a Big Scare," <i>The Atlanta Constitution</i> (September 3, 1982)	3
Trade-Marks: House Report No. 944 on H.R. 6618, House Committee on Patents, 76th Cong., 1st Sess. (1939)	2

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TRADEMARK ASSOCIATION IN SUPPORT OF
A PETITION FOR WRIT OF CERTIORARI**

Statement of Interest of the Association

USTA is a not-for-profit corporation whose members are owners of trademarks and others knowledgeable about trademarks and with an interest in their protection. The history of the Association and a description of its activities in the trademark field are set forth in the Motion for Leave to File Brief *Amicus Curiae* submitted herewith.

The decision of the Ninth Circuit, holding that MONOPOLY has become a generic term, is based on a fundamental misconception as to the function of a trademark, and is inconsistent with decisions of this Court and of other Courts of Appeals.

Because, by definition, trademarks identify goods whose source is a single manufacturer or merchant, and distin-

guish them from goods from some other source, they play a significant role in our economy and further the interests of the public. In the legislative history of the federal Trademark Act, the importance of their role was emphasized (House Report No. 944 on H.R. 6618, 76th Cong., 1st Sess. (1939)):

"Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and goodwill by preventing their diversion from those who have created them to those who have not. This is the end to which this bill is directed."

We all rely on brand names or trademarks every day—in the grocery, the drugstore and indeed whenever we make a purchase—as the means to select again those products we have previously found acceptable and to reject those we have learned are unacceptable. As Justice Frankfurter noted in *Mishawaka Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942):

"The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is not less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants."

Denying protection to trademarks interferes with the public's ability to make an informed choice and diminishes the impetus for manufacturers to maintain high quality standards for their products. See, e.g., Levitt, "Branding on Trial," *Harvard Business Review*, pp. 20-39 (April 1966).

As we have stated, the significance of the case goes far beyond the issue of whether MONOPOLY is a trademark. USTA is convinced that the test applied by the Ninth Circuit was wrong and that the decision stands as a threat to the validity of many important and widely used trademarks.

The case has received widespread publicity, and has already caused concern among scholars and trademark owners generally. See, e.g., Lewin, "Business and the Law," *The New York Times* (October 5, 1982); "Trademark Ruling Sends a Big Scare," *The Atlanta Constitution* (September 3, 1982). Seminars are being offered, such as one by the American Management Association, the notice of which is prefaced by this warning:

"The landmark decision of the United States Court of Appeals for the Ninth Circuit should be of concern to everyone who markets a consumer product—and the attorney who represent them. . . . The reach of this decision could have an unprecedented impact—not only on board games, but on any product used and accepted by the public."

USTA also believes that the decision will have a great impact on and represents a significant threat to the entire trademark system.

Summary of Argument

The Court of Appeals for the Ninth Circuit correctly repeated the legal standard first enunciated by this Court in *Kellogg Company v. National Biscuit Company*, 305 U.S. 111, 116 (1938), namely, that a word used as a trademark is not generic if the "primary significance of the term in the minds of the consuming public is not the product but the producer." The Ninth Circuit erred, however, in then failing to follow that standard. The Ninth Circuit held instead that the validity of the term at issue should be tested not on the basis of its primary significance to the public but solely on the basis of the Circuit Court's interpretation of reasons given by some members of the public as to why they had bought or would buy the product sold under that term. Application of such a test could jeopardize the validity of a significant number of important and valuable trademarks. Because of the serious adverse impact which the decision may have, this Court should grant certiorari to correct the error of the Ninth Circuit.

ARGUMENT

I. Trademark Validity Does Not Depend Upon Purchaser Motivation in Buying a Product.

Both before and after the enactment of the Trademark Act of 1946, cases have presented claims that once-valid trademarks have become common descriptive names or generic terms.³ In the first and most significant of these cases, in which "aspirin" was held to be generic, Judge Learned Hand formulated as the test: "What do buyers understand by the word for which the parties are contending?" *Bayer Co., Inc. v. United Drug Co.*, 272 Fed. 505, 509 (S.D.N.Y. 1921). In 1938, this Court held that "shredded wheat" was generic because its primary significance in the minds of the consuming public was the product and not the producer, *Kellogg Company v. National Biscuit Company*, *supra*, p. 4.

Cases, such as the instant case, in which a once-valid trademark has been held to have become generic are few in number but nonetheless significant. They include the "aspirin" case referred to above,⁴ and, in the Courts of Appeals, cases involving "cellophane," "cola," "thermos" and "yo-yo."⁵ These decisions and others may differ on

³ The Trademark Act of 1946, Lanham Act, 15 U.S.C. §§1051 *et seq.*, does not use and contains no definition of the term "generic." However, Section 14(c) [15 U.S.C. §1064(c)] provides that a trademark registration may be cancelled if it has become the common descriptive name of an article or substance.

⁴ *Bayer Co., Inc. v. United Drug Co.*, *supra*, p. 5.

⁵ *DuPont Cellophane Co. v. Waxed Products Co., Inc.*, 85 F.2d 75 (2 Cir. 1936); *Dixie-Cola Laboratories, Inc. v. Coca-Cola Co.*, 117 F.2d 352 (4 Cir. 1941); *King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577 (2 Cir. 1963); *Donald F. Duncan, Inc. v. Royal Tops Manufacturing Co., Inc.*, 343 F.2d 655 (7 Cir. 1965).

questions such as burden of proof⁶ but no case until now has ever found that a once-valid trademark has become generic on any basis other than an assessment of its significance or meaning. In all, the decision was made based on assessment of the significance to the public of the term in question.

In the case now under consideration, however, the Ninth Circuit has in effect held that it is unnecessary to ascertain the meaning of MONOPOLY to the consuming public. Instead, it held that genericness could be determined solely on the basis of why the public said it bought or would buy a MONOPOLY game in response to a survey, called "The Motivation Survey," conducted by Anti-Monopoly.

It is not clear why the Ninth Circuit departed from a consistent line of authority followed by this Court and other Courts of Appeals for more than sixty years. One reason, however, appears to be its failure to recognize that a trademark identifies source not only when the consumer knows the name of the source, but also when the consumer uses or relies on the mark to purchase goods of a familiar, although anonymous, source. Another reason appears to be the Court's failure to recognize that many trademarks serve as identifiers of quality as well as source, a fact which that same court articulated in *Siegel v. Chicken Delight, Inc.*, 448 F.2d 43, 48 (9th Cir. 1971), cert. denied,

⁶ The issue of burden of proof as to the primary significance of the term may depend in part on whether the term was initially arbitrary, e.g., "aspirin," in which case the burden may be upon the party asserting genericness. On the other hand, if the term was initially descriptive, e.g., "shredded wheat," the burden may be upon the party asserting trademark rights. See, *inter alia*, Melton, "Generic Term or Trademark? Confusing Legal Standards and Inadequate Protection," 29 American Univ. Law Review, pp. 109-133 (Fall 1979).

405 U.S. 955 (1971).⁷ Justice Frankfurter addressed the same issue in *Mishawaka Mfg. Co. v. Kresge Co.*, *supra*, p. 2:

"Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value." (p. 205)

In "The Motivation Survey," as described by the Ninth Circuit (Pet. Appendix 13a-18a), respondents "aware of 'Monopoly,' the business board game produced by Parker Brothers," (who had either purchased the game within the last couple of years or intended to purchase it in the near future) were asked whether their feelings were best expressed by the statement: "I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly,' I don't care who makes it;" or by the statement: "I would like a Parker Brothers 'Monopoly' game primarily because I like Parker Brothers' products."

Whatever relevance "The Motivation Survey" might have as to why someone did purchase or would purchase a MONOPOLY game, it has no relevance to the real issue, namely, what is the primary significance of the term MONOPOLY to the consuming public. A person who has stated that he purchases primarily because he is interested in playing the MONOPOLY game might nevertheless also believe that MONOPOLY identified the source

⁷ "The historical conception of a trademark as a strict emblem of source of the product to which it attaches has largely been abandoned. The burgeoning business of franchising has made trade-mark licensing a widespread commercial practice and has resulted in the development of a new rationale for trade-marks as representations of product quality."

of the game;³ a person who purchases a Parker Brothers' MONOPOLY game primarily because he likes Parker Brothers' products might on the other hand nevertheless believe that MONOPOLY is merely the generic name of a game, like chess or checkers.

Purchaser motivation has no apparent relevance to the question of whether or not a trademark has become generic, and *amicus* is not aware of any prior decision which has considered purchaser motivation in determining the issue of genericness. As Judge Helen Nies of the Court of Customs and Patent Appeals (now the Court of Appeals for the Federal Circuit) stated on September 30, 1982 in a concurring opinion in *In re DC Comics, Inc.*, 689 F.2d 1042 (C.C.P.A. 1982), such consideration of purchaser motivation is "an esoteric and extraneous inquiry."

The Ninth Circuit's "esoteric and extraneous inquiry" presents a critical problem for the trademark law, trademark owners and the public, and the problem is likely to increase in view of the growing number of trademark cases in which surveys are being used. There is danger that courts will accept without question the validity of survey methodology approved by another court. For example, in the instant case, General Mills offered in evidence and the District Court accepted a survey method first used and approved in the "Teflon" case, *E. I. duPont de Nemours & Co. v. Yoshida International, Inc.*, 393 F. Supp. 502 (E.D.N.Y. 1975), and accepted by a number of Courts since.

³ A person whose sole motivation is to play the MONOPOLY game would likely desire that such a game come from the same source as the MONOPOLY game with which he was already familiar, a desire that would be frustrated were MONOPOLY to be declared generic.

II. The Primary Significance of Product Marks Such as "Monopoly" Can Only Be Determined by Ascertaining Their Meaning to the Public.

Under the Lanham Act, 15 USC §1127, and at common law, a trademark is a word, name, symbol or device adopted and used by a manufacturer or merchant to identify its goods and to distinguish them from those manufactured or sold by others. Some trademarks are applied to a variety of products (e.g., SEARS, GM, etc.), and thus have only source connotations. Other trademarks, used by the same companies, like DIEHARD, CORVETTE, etc., are used only on a single product, and such marks necessarily have product, as well as source, connotations. MONOPOLY falls within the latter category of trademark.

In *In re DC Comics, Inc.*, *supra*, p. 8, Judge Nies discussed marks such as MONOPOLY as follows (689 F.2d at p. 1054):

"The principle that a trademark must indicate 'source' and not 'goods' does not condemn single product word marks or designs. A word, name, symbol or device indicates 'source' within the meaning of the truism if it indicates *goods of one producer* to the public, and it indicates 'goods' if the public does not identify the asserted mark with goods from a particular source.

. . .

Once it is understood that a trademark is functioning to indicate 'source' when it identifies *goods* of a *particular* source, the truism then reflects the above-stated objectives of trademark law and the way trademarks actually function in the marketplace. The reason the public is motivated to buy the product, whether because of quality, particular features, source, pleas-

ing design, association with other goods, price, durability, taste, or prestige of ownership, is of concern to market researchers but is legally immaterial to the issue of whether a particular designation is generic.

• • •

Similarly, that purchasers call for a particular product by the name given it by its producer or source does not negate its function as a mark. Such a given name is a proper name, like the name of an individual, not a generic name, so long as the public uses it to identify a product of a single source. It is the normal way the public uses a mark which is applied by a manufacturer or a merchant to a particular product, and, as indicated, trademark concepts do not require the condemnation of normal commercial language. Trademark law merely condemns the use of that language in a way which deprives purchasers of their expectations and deprives businesses of the goodwill which they have built up by providing satisfactory goods and services. For the same reason, that a trademark is well known does not make it a 'common' descriptive name. 'Common,' like 'generic,' states a conclusion that the claimed mark is, or has become, part of the vernacular, that it is indefinite, and does not function as a proper name of a particular producer's goods." (Emphasis in original)

Marks used on a variety of products may have no product connotations and would thus necessarily "pass" the Ninth Circuit "Motivation Survey." On the other hand, a trademark used on a single product, which has or is perceived to have particular characteristics, necessarily conveys product as well as source connotations, and such marks would likely "fail" "The Motivation Survey."

Perhaps the best example of the fallacy in relying on a "Motivation Survey" is shown by the counter-survey done by the petitioner in the instant case in which the questions from that survey were posed in connection with TIDE, the well-known trademark used by Procter & Gamble Company on its detergent. Not surprisingly, only a small percentage of the respondents said they bought or would buy TIDE primarily because they liked Procter & Gamble products (as contrasted to 32% for MONOPOLY) whereas 68% said they bought or would buy TIDE primarily because they liked TIDE detergent (as contrasted to 65% for MONOPOLY).

The fact that the Ninth Circuit referred to this counter-survey as questioning the validity of the TIDE trademark illustrates the error and danger in the motivation test applied by the Court and underlies the importance of this case to all trademark owners and to the purchasing public.

CONCLUSION

For the foregoing reasons, The United States Trademark Association submits that the decision of the Ninth Circuit raises a serious and substantial issue of importance to the purchasing public and to trademark owners in the United States, and respectfully submits that the petition for a Writ of Certiorari should be granted.

Respectfully submitted,

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Certificate of Service

I hereby certify that on this day of January, 1983 three copies of the within Motion for Leave to File Brief *Amicus Curiae* and Brief *Amicus Curiae* of the United States Trademark Association were served by first class mail postpaid on each of the following: Nathan Lewin and David O. Stewart, Miller, Cassidy, Larroca, Lewin, 2555 M Street, N.W., Suite 500, Washington, D.C. 20037, Attorneys for Petitioner; and Carl E. Person, 132 Nassau Street, New York, New York 10038, Attorney for Respondent. I further certify that all parties required to be served have been served.

/s/ MARIE V. DRISCOLL

Marie V. Driscoll